Health Care Providers Rights

In 2000, the Arizona Legislature passed House Bill 2600, the Managed Care Accountability Act. The new law governs the timing of payments from health care insurers to health care providers. The new law also requires health care insurers to establish internal grievance processes for disputes between health care providers and health care insurers.

The timely pay provisions of the law apply to claims for dates of service starting January 1, 2001. The grievance procedures of the law are effective January 1, 2001.

The law does not apply to AHCCCS, Medicare fee-for-service, county health system, worker's compensation or self-insured employer claims.

This pamphlet from the Arizona Department of Insurance summarizes the timely pay and grievance law for health care providers and explains what assistance is available from the Department.

TIMELY PAY

Claims Approval or Denial

1. All health care insurers must approve or deny any clean claim:
   - Within 30 days of receipt, or
   - If there is a written contract between the provider and the insurer, within the period specified in the contract.
2. If an insurer needs additional information to approve or deny a claim, it must:
   - Make the request in writing within 30 days of receipt of the claim, and
   - Notify the provider of all the specific reasons for delay in approval or denial.
3. Insurers may not request information that does not apply to the medical condition at issue.
4. An insurer must approve or deny the claim within 30 days of receiving additional information. An insurer may not delay payment of a clean claim or pay less than the contracted amount without reasonable justification.
5. An insurer may not request providers to resubmit claims information the provider can document it already has provided unless:
   - There is reasonable justification, and
   - The purpose of the request is not to delay payment.

Payment and Interest

1. If an insurer approves the claim, it must pay the claim:
   - Within 30 days from the approval, or
   - If there is a written contract between the provider and the insurer, within any period specified in the contract.
2. If a claim is not paid in the required time frame, the insurer must pay interest on the amount due to the provider. Interest begins to run the last day of the required time frame.
3. An insurer must pay interest at the legal rate, which is:
   - Ten percent per annum, or
   - Any other rate agreed to in writing by the provider and the insurer.
4. The insurer's obligation to pay interest may not be waived.
5. Starting January 1, 2001, neither insurers nor providers can request adjustments of payments more than one year after the insurer pays a claim, unless there has been fraud.
6. The timely pay law has no impact on contractual provisions that are not addressed by the statute, such as time periods for the submission of claims.

GRIEVANCES

1. All health care insurers must have an internal grievance system for resolving provider disputes.
2. The Insurance Department requires each health care insurer to:
   - Describe its grievance system in a written form that is available to providers, and
   - Provide the Department with contact information for the person designated to receive grievances. To obtain this information from the Department, call the Department's Provider Information Line at (602) 912-8468

3 Providers who have payment or contract disputes with insurers should submit written grievances directly to the insurer. Grievances should not be submitted to the Insurance Department, which is not authorized to resolve them.

4 Insurers must file grievance reports twice a year with the Department. The Department has established reporting requirements that include the:

- Number of grievances filed and the type of resolution.
- Average number of days to resolution.
- Type of grievance.
- Average amount in dispute per payment grievance.

ROLE OF THE ARIZONA DEPARTMENT OF INSURANCE

1. The Department is not able to adjudicate individual claims or resolve disputes between insurers and providers. The new law does not give the Department either the authority or the resources to take those steps.

2. If providers contact the Department for help with particular claims or grievances, the Department will refer health care providers to each insurer's designated grievance contact person.

3. The Department will make the insurer grievance reports available to the public and will use the reports, as well as other information, to investigate possible violations of applicable laws. The Department will enforce the law as appropriate.

4. The Department has established a Provider Information Line at (602) 912-8468 to provide information about the timely pay and grievance law. TheDepartment has other information available on its web site at www.id.state.az.us

HELPFUL INFORMATION

Department Web Site: www.id.state.az.us

- **For a copy of a comprehensive bulletin on the law, see Circular Letter 2000-15.**
- **For a copy of this pamphlet, look under Insurers.**

Provider Information Line: (602) 912-8468

Provider Information E-mail Address:
providerinfo@id.state.az.us

Text of Timely Pay/Grievance Law:
www.azleg.state.az.us/ARS/20/title20.htm
A.R.S. § 20-3101, et seq.

Persons with disabilities may request that materials be presented in an alternative format by contacting the ADA Coordinator at (602) 912-8402. Requests should be made as early as possible to allow time to procure the materials in an alternative format.

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Timely Pay Grievances

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